

**KEY INFORMATION SUMMARY SHEET**

**DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT**



**Request for Proposals No. # S00R0400011  
Review and Analysis of Multi Family Rental Property  
Audited Financial Statements**

**Procurement Officer:** Jean Peterson  
410-514-7358  
(FAX) 410-514-7313  
[peterson@mdhousing.org](mailto:peterson@mdhousing.org)

**Submit Proposals to:** Department of Housing and Community Development  
Attention: Jean Peterson  
100 Community Place; Room 3.607  
Crownsville, Maryland 21032-2023

For directions, click on "Contact Us" on the DHCD website  
<http://www.mdhousing.org/Website/home/index.aspx>

**Solicitation Issue Date:** February 12, 2010

**Pre-Proposal Conference:** February 22, 2010 2:30, p.m. local time at DHCD,  
Crownsville, MD 21032

**Closing Date and Time:** March 16, 2010, 2:00 pm local time

**Anticipated Contract Start:** April, 2010

**NOTICE**

Prospective Offerors who have received this document from a source other than the Issuing Office should immediately contact the Issuing Office and provide their name and mailing address so that any amendments to the RFP and other communications may be sent to them.

**Minority Business Enterprises and Small Businesses are encouraged to respond to this solicitation**

**STATE OF MARYLAND  
NOTICE TO VENDORS/CONTRACTORS**

To help us improve the quality of State solicitations, and to make our procurement process more responsive and business friendly, we ask that you take a few minutes to provide comments and suggestions regarding the enclosed solicitation. Please return your comments with your bid/proposal or, if you have chosen not to respond, fax the completed form to 410-987-4676.

1. If you have responded with a "no bid" please indicate the reasons below:

- ☐ Other commitments preclude our participation at this time.
- ☐ The subject of the Contract is not something we normally provide.
- ☐ We are inexperienced in the work/commodities required.
- ☐ Specifications are unclear, too restrictive, etc. (Please Explain in Remarks Section)
- ☐ The scope of work is beyond our current capacity.
- ☐ Doing business with Government is simply too complicated. (Please Explain in Remarks Section)
- ☐ We cannot be competitive. (Explain in Remarks Section)
- ☐ Time allotted for bid/proposal is insufficient.
- ☐ Start-up time is insufficient.
- ☐ Bonding/Insurance requirements are prohibitive. (Explain in Remarks Section)
- ☐ Bid/Proposal requirements (other than specifications) are unreasonable or too risky. (Explain in Remarks Section)
- ☐ MBE requirements (Explain in REMARKS section)
- ☐ Prior experience with State of Maryland contracts was unprofitable or otherwise unsatisfactory. (Explain in Remarks Section)
- ☐ Payment schedule is too slow.
- ☐ Other: \_\_\_\_\_

2. If you have submitted a bid or proposal, but wish to offer suggestions or express concerns, please use the Remarks section below. (Use reverse or attach additional pages as needed.)

REMARKS: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_

Vendor Name: \_\_\_\_\_ Date \_\_\_\_\_

Contact Person: \_\_\_\_\_ Phone \_\_\_\_\_

Address: \_\_\_\_\_

## **TABLE OF CONTENTS**

<b>Section 1 - Proposal Information</b>	<b>Page 4</b>
<b>Section 2 - Contract Information</b>	<b>Page 11</b>
<b>Section 3 – Scope of Services</b>	<b>Page 14</b>
<b>Section 4 – Minimum Qualifications</b>	<b>Page 17</b>
<b>Section 5 - Proposal Format</b>	<b>Page 17</b>
<b>Section 6 - Evaluation Procedure and Contract Award</b>	<b>Page 23</b>

### **ATTACHMENTS:**

- A. Contract Terms**
- B. Bid/Proposal Affidavit**
- C. Contract Affidavit**
- D. Minority Business Enterprise Participation**
- E. Living Wage Attachment**
- E-1 Living Wage Affidavit**
- F. Price Proposal Form**

### **EXHIBITS:**

- 1. Audit Guide with Appendices A-G**
- 2. Annual Financial Statement Completeness Review Form**
- 3. Debt Service Coverage Ratio Calculation Form**

## **SECTION 1. PROPOSAL INFORMATION**

### **1.1 PURPOSE**

The Maryland Department of Housing and Community Development (DHCD), a principal department of the State of Maryland (State), is issuing this Request for Proposals (RFP) seeking Accounting firms experienced in the review and analysis of annual audited financial statements of multi family rental properties to submit a proposal for the review and analysis of multi family rental property audited financial statements and qualified contract price proposals for the Division of Credit Assurance (DCA). Specific qualifications and services to be provided are outlined in Section 3 of this RFP.

### **1.2 ISSUING OFFICE AND PROCUREMENT OFFICER**

The sole point of contact in the State for purposes of this Request for Proposals (RFP) is the Procurement Officer at the Issuing Office address listed below:

Jean Peterson  
Department of Housing and Community Development  
100 Community Place, Room 3.607  
Crownsville, Maryland 21032-2023  
Telephone: 410-514-7358  
Fax: 410-514-7313  
E-mail: [Peterson@mdhousing.org](mailto:Peterson@mdhousing.org)

This RFP is also available on DHCD's website in PDF format:  
<http://www.dhcd.state.md.us/Website/procure/procure.aspx>.

### **1.3 PROCUREMENT METHOD**

This Contract will be awarded in accordance with the competitive sealed proposals process under COMAR 21.05.03.

### **1.4 QUESTIONS**

Questions will be accepted from prospective Offerors and should be submitted in a timely manner to the Procurement Officer only. E-mail submission of questions is preferable, but questions will also be accepted by mail or facsimile to the Procurement Officer.

The Procurement Officer will decide whether an answer can be given before the closing date, based on the availability of time to research and communicate an answer. Answers to all substantive questions that have not previously been answered, and are not clearly specific only to the requestor, will be distributed to all offerors who are known to have received a copy of this RFP.

## **1.5 PROPOSAL SUBMISSION REQUIREMENTS AND DEADLINE**

An unbound, clearly marked original and five (5) copies of the Technical Proposal, in a separate sealed envelope marked “Audit Review Services – Technical Proposal” and an unbound, clearly marked original and five (5) copies of the Price Proposal in a separate sealed envelope marked “Audit Review Services – Price Proposal” must be received at the Issuing Office no later than the date and time listed on the Key Information Summary Sheet, in order to be considered, except as provided in COMAR 21.05.02.10. The original shall be clearly identified and shall bear the original signature of the individual authorized to commit the firm.

Requests for an extension of this date or time will not be granted. Offerors mailing proposals should allow sufficient mail delivery time to ensure timely receipt at the Issuing Office. Proposals submitted by e-mail or facsimile will not be accepted. Opened proposals will not be returned to Offerors.

## **1.6 MULTIPLE OR ALTERNATE PROPOSALS**

Neither multiple nor alternate proposals will be accepted.

## **1.7 DURATION OF OFFER**

Proposals submitted in response to this RFP are irrevocable for a period of one hundred twenty (120) days following the closing date. This period may be extended at the Procurement Officer's request only with the Offeror's written agreement.

## **1.8 MANDATORY CONTRACTUAL TERMS**

By submitting a proposal in response to this RFP, an Offeror, if selected for award, shall be deemed to have accepted the terms of this RFP and the standard contract terms and conditions, included as Attachment A. Any exceptions to this RFP, or Attachment A attached, must be clearly identified in the Executive Summary submitted with the Technical Proposal. A proposal that takes exception to these terms may not be reasonably susceptible of being selected for award.

## **1.9 INCORPORATION OF RFP AND PROPOSAL**

The applicable sections of this RFP and the successful Offeror's proposal shall be incorporated into the resulting contract.

#### **1.10 BID/PROPOSAL AFFIDAVIT AND RESIDENT AGENT**

Offerors must submit a completed Bid/Proposal Affidavit, Attachment B, with their Technical Proposal. If an item on this Affidavit is not applicable, please indicate so. All blanks are to either contain an answer or a Not Applicable designation.

Additionally, in order to legally conduct business within the State of Maryland, all corporate entities must appoint and maintain a Resident Agent who receives legal process and other communications on behalf of the entity.

The failure to register and designate a Resident Agent may foreclose or hinder the company's ability to legally enter into contracts and gain access to the state courts. Moreover, it may subject the company to monetary, civil, and possibly criminal sanctions. Also, failure to maintain a Resident Agent may cause your company to fall out of "good standing" within the State. This will subject your license to do business within the State to forfeiture, with monetary penalties assessed to reinstate your company to a "good standing."

#### **1.11 CONTRACT AFFIDAVIT**

All Offerors are advised that if a contract is awarded as a result of this solicitation, the successful Offeror will be required to complete and submit to the Procurement Officer a Contract Affidavit confirming that all statements made on the Bid/Proposal Affidavit (Attachment B) remain true and correct in all respects as of the date of the Contract. A copy of this Affidavit is included for informational purposes as Attachment C of this RFP.

#### **1.12 CONFLICT OF INTEREST**

Each Offeror warrants that there are no relevant facts or circumstances that give rise or will give rise to a conflict of interest. Offerors shall disclose by certification, as part of their technical proposal, that there exists no conflict of interest between the Contractor and/or analyst(s) and any owner of an assisted or unassisted affordable multi family rental housing, as defined above, in the market areas. The successful Offeror who is awarded the Contract has a continuing obligation to disclose to DHCD the above information through the term of the Contract.

The Procurement Officer will make a determination as to whether a conflict of interest exists. If it is determined that there is a conflict of interest, and that conflict of interest can not be resolved, the Procurement Officer may reject the offer under COMAR 21.06.02.03B. If a conflict arises during the term of the Contract, the Department reserves the right, in its sole discretion, to terminate the Contract if the conflict can not be resolved to DHCD's satisfaction.

#### **1.13 REVISIONS TO THE RFP**

If it becomes necessary to revise this RFP, amendments will be provided to all prospective Offerors that were sent this RFP or otherwise are known by the Procurement Officer to have

obtained this RFP. Failure to acknowledge receipt does not relieve the Offeror from complying with all terms of any such amendment.

#### **1.14 RFP CANCELLATION / REJECTION**

The State reserves the right to cancel this RFP at any time prior to contract award pursuant to COMAR 21.06.02.02. The State also reserves the right to accept or reject any and all proposals, in whole or in part, received in response to this RFP and to waive or permit cure of minor irregularities in any manner necessary to serve the best interests of the State of Maryland. Offerors whose proposals are not accepted will be notified in writing.

#### **1.15 INCURRED EXPENSES**

The State will not be responsible for any costs incurred by an Offeror in preparing and submitting a proposal or in performing any other activities relative to this solicitation.

#### **1.16 ECONOMY OF PREPARATION**

Proposals should be prepared simply and economically, providing a straightforward, concise description of the Offeror's ability to meet the requirements of this RFP.

#### **1.17 PROTESTS/DISPUTES**

Any protests or disputes related respectively to this solicitation or the resulting Contract shall be subject to the provisions of COMAR 21.10, Administrative and Civil Remedies.

#### **1.18 USE OF EMARYLAND MARKETPLACE**

e-Maryland Marketplace is an electronic commerce system administered by the Maryland Department of General Services. In addition to using the DHCD web site ([www.mdhousing.org](http://www.mdhousing.org)) and other means for transmitting the RFP and associated materials, the solicitation and minutes of the pre-bid/proposal conference, Offeror questions and DHCD responses, addenda, and other solicitation related information may be provided via e-Maryland Marketplace.

This means that all such information is immediately available to organizations that subscribe to e-Maryland Marketplace. Because of the instant access afforded by e-Maryland Marketplace, it is recommended that all Offerors interested in doing business with Maryland State agencies subscribe to e-Maryland Marketplace, free of charge.

#### **1.19 MINORITY BUSINESS ENTERPRISES (MBE)**

- A. A Minority Business Enterprise (MBE) subcontractor participation goal of 30% has been established for this procurement. The successful Offeror shall structure its subcontracts in a good-faith effort to achieve that goal using businesses certified by the State of Maryland as minority owned and controlled. During the term of the Contract, the successful Offeror is

prohibited from changing the Minority Enterprise Utilization Plan as submitted (per Section 1.19 B. below) without the prior written consent of DHCD.

- B. MBE requirements are specified in Attachment D of this RFP. Subcontractors used to meet the MBE goal in this RFP shall be identified using Attachments D-1 and D-2, which **must** be completed, signed and submitted with each bid or proposal. **Bids or proposals submitted without these attachments completed and fully executed shall be deemed not responsible and not reasonably susceptible of being selected for award.**
- C. A current directory of MBEs is available through the Maryland State Department of Transportation, Office of Minority Business Enterprise, P. O. Box 8755, B.W.I. Airport, Maryland 21240-0755; phone number is 410-865-1244. The directory is also available at <http://www.mdot.state.md.us>; select the *MBE Program* label. The most current and up-to-date information on MBEs is available via the website.
- D. Minority Business Enterprises are encouraged to respond to this solicitation as prime contractors. MBE vendors are encouraged to obtain MBE certification from the Maryland Department of Transportation, Office of Minority Business Enterprise. Direct all certification-related questions to:  
  
Office of Minority Business Enterprise  
Maryland Department of Transportation  
P.O. Box 8755  
BWI Airport, Maryland 21240-0755  
(410) 859-7328  
[http://www.mdot.state.md.us/MBE\\_Program/](http://www.mdot.state.md.us/MBE_Program/)
- E. Maryland-certified minority contractors shall include the certification number on the Price Proposal. Prime contractors who are themselves MBE-certified must meet the MBE subcontract participation goal.
- F. By its response to this solicitation, the Offeror acknowledges the MBE subcontract participation goal and affirms that the approved MBE participation level is a contract deliverable to be performed by one or more certified MBEs. During the term of the contract, the successful Offeror shall comply with the Minority Enterprise Utilization Plan described in Attachment D.

## **1.20 ACCESS TO PUBLIC RECORDS ACT NOTICE**

Offerors should give specific attention to the clear identification of those portions of their proposal that are considered confidential, proprietary commercial information or trade secrets, and provide justification why such materials, upon request, should not be disclosed by the State under the Access to Public Records Act, Title 10, Subtitle 6, of the State Government Article of the Annotated Code of Maryland. This information is to be placed after the Title Page and before the Table of Contents of the respective proposal to facilitate public inspection of the non-



confidential portion of the proposal. Respondents are advised that, upon request for this information from a third party, DHCD is required to make an independent determination whether the information may be disclosed (see COMAR 21.05.08.01).

#### **1.21 ARREARAGES**

By submitting a response to this solicitation, each Offeror represents that it is not in arrears in the payment of any obligations due and owing the State of Maryland. This includes the payment of taxes and employee benefits. The Offeror shall not become so in arrears during the term of the Contract if selected for contract award.

#### **1.22 VERIFICATION OF REGISTRATION AND TAX PAYMENT**

Before a corporation can do business in the State of Maryland it must be registered with the Department of Assessments and Taxation, State Office Building, Room 803, 301 West Preston Street, Baltimore, Maryland 21201. It is strongly recommended that any potential Offeror complete registration prior to the due date for receipt of proposals. An Offeror's failure to complete registration with the Department of Assessments and Taxation may disqualify an otherwise successful Offeror from final consideration and recommendation for contract award.

#### **1.23 RECIPROCAL PREFERENCE**

The provisions of State Finance and Procurement Article Section 14-401 and COMAR 21.05.01.04 shall apply to this solicitation. If applicable, a nonresident Offeror submitting an offer for this solicitation shall attach to the offer a copy of the current statute, resolution, policy, procedure, or executive order of the resident state for the nonresident Offeror that pertains to that state's treatment of nonresident Offerors for similar services. A preference shall be identical to the preference that the other state gives to its residents.

#### **1.24 FALSE STATEMENTS**

Offerors are advised that section 11-205.1 of the State Finance and Procurement Article of the Annotated Code of Maryland provides as follows:

- A. In connection with a procurement contract a person may not willfully:
  - (1) falsify, conceal, or suppress a material fact by any scheme or device;
  - (2) make a false or fraudulent statement or representation of a material fact;
  - (3) use a false writing or document that contains a false or fraudulent statement or entry of a material fact.
- B. Aiding or conspiring with others – A person may not aid or conspire with another person to commit an act under subsection (A) of this section.
- C. Penalty – A person who violates any provision of this section is guilty of a felony and on conviction is subject to a fine not exceeding \$20,000 or imprisonment not exceeding 5 years or both.

## **1.25 ELECTRONIC FUNDS TRANSFER**

By submitting a response to this solicitation, the Offeror agrees to accept payments by electronic funds transfer unless the State Comptroller's Office grants an exemption. The selected Offeror shall register using the COT/GAD X-10 Vendor Electronic Funds (EFT) Registration Request Form. Any request for exemption must be submitted to the State Comptroller's Office for approval at the address specified on the COT/GAD X-10 form and must include the business identification information as stated on the form and include the reason for the exemption. The COT/GAC X-10 Vendor Electronic Funds Registration Request Form may be downloaded from: <https://compnet.comp.state.md.us/gad/pdf/GADX-10.pdf>.

## **1.26 SMALL BUSINESSES**

Although this is not a Small Business Reserve procurement, small businesses are encouraged to respond to this solicitation and to register with the Maryland Department of General Services for the Maryland Small Business Reserve Program through a self-certification process at <https://www.smallbusinessreserve.maryland.gov/registration/>.

A "Small Business" is defined as a business, other than a broker, that meets the following criteria:

- The business is independently owned and operated;
- The business is not a subsidiary of another business;
- The business is not dominant in its field of operation;
- The wholesale operations of the business did not employ more than 50 persons, and the gross sales of the business did not exceed an average of \$2,000,000 in its most recently completed 3 fiscal years;
- The retail operations of the business did not employ more than 25 persons, and the gross sales of the business did not exceed an average of \$2,000,000 in its most recently completed 3 fiscal years;
- The manufacturing operations of the business did not employ more than 100 persons, and the gross sales of the business did not exceed an average of \$2,000,000 in its most recently completed 3 fiscal years;
- The service operations of the business did not employ more than 100 persons, and the gross sales of the business did not exceed an average of \$2,000,000 in its most recently completed 3 fiscal years; and
- The construction operations of the business did not employ more than 50 persons, and the gross sales of the business did not exceed an average of \$7,000,000 in its most recently completed 3 fiscal years.

If a business has not existed for three years, the gross sales average is computed for the period of the business's existence. For newly formed businesses the determination will be based upon employment levels and projected gross sales.

A Small Business is not the same as a Minority Business Enterprise, but a business can be both if it has been certified by the Maryland Department of General Services as a Small Business and has been certified by the Maryland Department of Transportation Minority Business Enterprise Program as a Minority Business Enterprise.

## **SECTION 2. CONTRACT INFORMATION**

### **2.1 PARTIES TO THE CONTRACT**

The contract entered into as a result of the response to this RFP shall be by and between the successful Offeror as Contractor and DHCD, and shall include the terms and conditions of Attachment A of this RFP and generally the provisions of this RFP. Any exceptions must be clearly identified in the Executive Summary section of the Technical Proposal. Attachment A is included for information only and is not to be submitted with the Offeror's proposal.

### **2.2 CONTRACT TERM**

The contract resulting from this RFP shall commence after all appropriate State approvals have been obtained, and shall extend for a period of three (3) years.

### **2.3 CONTRACT TYPE**

The contract awarded as a result of this solicitation shall be an indefinite quantity contract with fixed unit prices in accordance with COMAR 21.06.03.06A(2).

### **2.4 COMPENSATION AND METHOD OF PAYMENT**

The Contractor will be compensated upon submission to, and approval by DHCD, of an invoice reflecting the rates per unit of service as listed in the Price Proposal Form, Attachment F multiplied by the amount of work performed for each type of service during the invoice period:

- A. For Audit Reviews, the invoice shall indicate the total number of audit reviews completed and list the audits reviewed by property.
- B. For Review of Qualified Contract Price Proposals, the invoice shall indicate the total number of qualified contract price proposal reviews performed and list the proposals reviewed.

### **2.5 SCOPE OF CONTRACT**

Work to be performed and the services to be provided by the Contractor will consist of the items described in Section 3 of this RFP.

### **2.6 CONTRACTOR RESPONSIBILITIES**

The Contractor will assume sole responsibility for all work to be performed under their Contract and will be the sole point of contact for DHCD with regard to contractual matters.

## **2.7 WORK PRODUCTS**

All products, including work papers, draft documents, notes, calculations and all other written materials regarding the engagements prepared under the terms of this contract are the property of the State of Maryland, and shall be delivered at the end of the contract in a form useable to DHCD.

## **2.8 INDEMNIFICATION**

The Contractor agrees to indemnify and hold harmless DHCD and the State from all liability which may hereafter be incurred by reason of dissemination, publication, distribution, or circulation in any manner whatsoever of any information, data, or records pertaining in any way to the contract by the Contractor and its employees.

## **2.9 COMMERCIAL NONDISCRIMINATION**

As a condition of entering into this Agreement, Contractor represents and warrants that it will comply with the State's Commercial Nondiscrimination Policy, as described under Title 19 of the State Finance and Procurement Article of the Annotated Code of Maryland. As part of such compliance, Contractor may not discriminate on the basis of race, color, religion, ancestry or national origin, sex, age, marital status, sexual orientation, or on the basis of disability or other unlawful forms of discrimination in the solicitation, selection, hiring, or commercial treatment of subcontractors, vendors, suppliers, or commercial customers, nor shall Contractor retaliate against any person for reporting instances of such discrimination. Contractor shall provide equal opportunity for subcontractors, vendors, and suppliers to participate in all of its public sector and private sector subcontracting and supply opportunities, provided that this clause does not prohibit or limit lawful efforts to remedy the effects of marketplace discrimination that have occurred or are occurring in the marketplace. Contractor understands that a material violation of this clause shall be considered a material breach of this Agreement and may result in termination of this Agreement, disqualification of Contractor from participating in State contracts, or other sanctions. This clause is not enforceable by or for the benefit of, and creates no obligation to, any third party.

As a condition of entering into this Agreement, upon the Maryland Human Relations Commission's request, and only after the filing of a complaint against Contractor under Title 19 of the State Finance and Procurement Article, as amended from time to time, Contractor agrees to provide within 60 days after the request a complete list of the names of all subcontractors, vendors, and suppliers that Contractor has used in the past 4 years on any of its contracts that were undertaken within the state of Maryland, including the total dollar amount paid by Contractor on each subcontract or supply contract. Contractor further agrees to cooperate in any investigation conducted by the State pursuant to the State's Commercial Nondiscrimination Policy as set forth under Title 19 of the State Finance and Procurement Article of the Annotated Code of Maryland, and to provide any documents relevant to any investigation that is requested by the State. Contractor understands that violation of this clause is a material breach of this

Agreement and may result in contract termination, disqualification by the State from participating in State contracts, and other sanctions.

## **2.10 LIVING WAGE REQUIREMENTS**

A solicitation for services under a State contract valued at \$100,000 or more may be subject to Title 18, State Finance and Procurement (SFP) Article, Annotated Code of Maryland. Additional information regarding the State's Living Wage requirement is contained in this solicitation (see Attachment E entitled Living Wage Requirements for Service Contracts). **If the Offeror fails to submit and complete the Affidavit of Agreement, the State may determine an Offeror to be not responsible.**

Contractors and Subcontractors subject to the Living Wage Law shall pay each covered employee at least the minimum amount set by law for the applicable Tier Area. The specific Living Wage rate is determined by whether a majority of services take place in a Tier 1 Area or Tier 2 Area of the State. The Tier 1 Area includes Montgomery, Prince George's, Howard, Anne Arundel, and Baltimore Counties, and Baltimore City. The Tier 2 Area includes any county in the State not included in the Tier 1 Area. In the event that the employees who perform the services are not located in the State, the head of the unit responsible for a State contract pursuant to §18-102 (d) shall assign the tier based upon where the recipients of the services are located.

The contract resulting from this solicitation will be deemed to be a Tier 1 contract or a Tier 2 contract depending on the location(s) from which the contractor provides 50% or more of the services. If the contractor provides 50% or more of the services from a location(s) in a Tier 1 jurisdiction(s) the contract will be a Tier 1 contract. If the contractor provides 50% or more of the services from a location(s) in a Tier 2 jurisdiction(s), the contract will be a Tier 2 contract. If the contractor provides more than 50% of the services from an out-of-State location, then the contract will be deemed to be a Tier 1 contract. The Offeror must identify in their Offer the location(s) from which services will be provided.

**REMAINDER OF PAGE INTENTIONALLY LEFT BLANK**

### **SECTION 3. SCOPE OF SERVICES**

#### **3.1 BACKGROUND INFORMATION**

The purpose of this RFP is to invite accounting firms with relevant experience to submit a proposal to provide related services to DHCD's Division of Credit Assurance (DCA). DHCD has financed (all or in part) a portfolio of approximately 600 multi family projects, 418 of which are currently required to submit annual audited financial statements. DCA is charged with collecting and reviewing these statements, and currently has a staff of 13 Asset Management Officers assigned that responsibility.

Services to be provided by the selected contractor include:

- A. Audit Reviews - review of annual audited financial statements assigned by DCA;
- B. Review of Qualified Contract Price Proposals - submitted pursuant to §42(h)(6)(F)-(H) of the Internal Revenue Code.

#### **3.2 SCOPE OF SERVICES**

##### **A. Audit Reviews.**

The Contractor shall review and analyze annual audited financial statements submitted by the owners of multi family projects that are part of the DCA portfolio. The purpose of these reviews is to assess the accuracy of the information presented, and to determine that the audit has been prepared in a manner consistent with the requirements of the DHCD Audit Guide (Exhibit I), and GAAP (Generally Accepted Accounting Practices).

Access to loan documents and prior year audited financial statements will be provided by DHCD to the reviewer. Audit reviews shall be prepared using DHCD's Annual Financial Statement Completeness Review Form (Exhibit 2), and shall be completed and returned to DHCD within thirty (30) days of assignment.

Following the completion of the review, the reviewer will discuss with DHCD staff, as necessary, any questions or concerns regarding the reviewer's findings and/or the adequacy of the owner's/auditor's response.

It is anticipated that the Contractor will be required to complete approximately 30 audit reviews annually.

The audit review shall include (when appropriate):

1. The review of the computation of Surplus Cash and, when necessary, the recalculation of Surplus Cash if the audit is insufficient. Surplus Cash may be computed for the purposes of debt repayment, owner distributions and/or residual receipts. The reviewer must confirm that the figures presented in the Surplus Cash calculation are supported by the financial statements and can be verified. The reviewer must also be confident that the calculation method employed by the auditor conforms to the description of Surplus Cash, determine the calculated amount of any surplus cash payment due under the loan documents, and determine that the priority of payments to be made from Surplus Cash is properly reflected;
2. The calculation of a Debt Service Coverage Ratio (DSCR) using standard mortgage lender formulas as documented in Exhibit 3 for all DHCD loans with scheduled payments; and
3. The completion of a narrative style report in which the reviewer is to identify, for follow-up by DHCD staff, any items contained in the audit that are indicative of current or potential problems that could impact the effective performance of the project.

**B. Review of Qualified Contract Price Proposals**

1. The Contractor shall provide reviews on behalf of DHCD of Qualified Contract Price Proposals and supporting materials submitted pursuant to §42(h)(6)(F)-(H) of the Internal Revenue Code (IRC). These reviews should address the adequacy of the documentation such as audits, tax returns, and other partnership return information submitted with the owner's Qualified Contract Price Proposal. Further, such reviews must address the sufficiency under of the various costs enumerated by the owner for inclusion into the Adjusted Investor Equity portion of the Qualified Contract Price per IRC §42(h) (6) (G).
2. It is anticipated that the Contractor will be required to complete one or two qualified price proposal reviews per year.

**3.3 STAFFING PLAN AND KEY PERSONNEL**

- A. The Contractor shall adequately staff the Contract by assigning at least one employee who shall be designated as key personnel who meets the minimum qualifications described under Section 4.1.
- B. The Contractor shall maintain a staffing plan that identifies the specific individuals who will be assigned to the Contract to perform work under each of the tasks referred to in Section 3.2, including the key personnel of any subcontractor, such as those used to meet

an MBE goal assigned to this Contract and specifies. The staffing plan shall include a description of the division of responsibility envisioned among these individuals.

- C. Replacement of any key personnel shall be with personnel of substantially equal ability, qualifications and experience, and with the prior written consent of DHCD. It is expected that the key personnel assigned will remain for the length of the Contract. DHCD will reserve the right to terminate the contract if key personnel are changed.

### **3.4 STAFF TIME CONFLICTS RESOLUTION**

The Contractor shall resolve staff time conflicts between the needs of existing and future clients and the needs of DHCD for services so that DHCD's needs are met.

### **3.5 PROFESSIONAL LIABILITY INSURANCE**

The Contractor shall be required to carry professional liability insurance.

### **3.6 FIDELITY BOND**

The Contractor shall have in effect, and maintain throughout the term of the Contract, a fidelity bond providing coverage of not less than \$300,000 per incident.

### **3.7 CONTRACT MANAGER**

After contract award and throughout the course of the project, the Contract Manager listed below will schedule the Contractor's work, review the Contractor's work as it is submitted, monitor the performance of the Contractor and approve Contractor invoices for payment.

Bill Beans, Director Multi family Asset Management  
100 Community Place  
Crownsville, Maryland 21032  
Phone: 410-514-7349  
Fax: 410-514-7313  
Email: [beans@mdhousing.org](mailto:beans@mdhousing.org)



**Comment [JE1]:** Usually Min. Qual's are in section 2

## **SECTION 4. MINIMUM QUALIFICATIONS**

The following qualifications must be met to be considered:

### **4.1 EXPERIENCE**

The Contractor shall identify at least one employee who shall be designated as key personnel who meets the following qualifications:

- A. Is a CPA in good standing.
- B. Has at least five years experience in performing audit reviews of multi family properties; and
- C. Has experience with preparation of audits and tax return information at the operating partnership level for properties syndicated and assisted under §42 of the Internal Revenue Code.

## **SECTION 5. PROPOSAL FORMAT**

### **5.1 GENERAL**

The Offeror's Technical Proposal should be prepared in a straightforward and concise manner, detailing the Offeror's capabilities to satisfy the requirements of this RFP and should conform to the Outline listed in Section 5.2.B below.

### **5.2 TECHNICAL PROPOSAL**

#### **A. General:**

Offerors shall submit, under separate cover, a clearly marked unbound original and five copies of the Technical Proposal in a separate sealed envelope titled "Audit Review Services for DHCD - Technical Proposal."

Offerors should include a transmittal letter on the Offeror's stationery, signed by an individual who is authorized to bind the company to all statements in the proposal and the services and requirements as stated in the RFP.

#### **B. Outline of sections to be included in the Technical Proposal:**

Table of Contents

Tab 1 – Minimum Qualifications

The Offeror shall demonstrate that it meets the qualifications outlined in Section 4 by providing a resume for each key personnel designated by the Offeror and assigned to the Contract that:

- A. Presents the individual's qualifications, including CPA standing, and expertise in the accounting field;
- B. Clearly indicates the number of years of experience in performing audit reviews of multi family properties; and the experience with preparation of audits and tax return information at the operating partnership level for properties syndicated and assisted under §42 of the Internal Revenue Code, and experience in the training of asset management professionals.
- C. Lists the name, address, and telephone number of at least one recent client who may be contacted as a reference.

#### Tab 2 – Executive Summary

The Offeror shall condense and highlight the contents of the Technical Proposal in a separate section titled "Executive Summary". The summary shall provide a broad overview of the Offeror's understanding of the contents of the RFP and of the how the Offeror's proposal meets the scope of services outlined in Section 3. If any addendum or amendments have been issued to this RFP, the Offeror shall acknowledge same in this section.

Any exceptions to this RFP or the terms and conditions outlined in Attachment A or any other attachment must be clearly identified in this section. Exceptions may result in the proposal being rejected or being determined not reasonably susceptible of being selected for award.

#### Tab 3 – Required Submissions

- A. Bid/Proposal Affidavit (Attachment B) – completed and signed by an individual authorized to bind the Offeror. All questions are to be answered on Attachment B. If a question is not applicable please indicate so.
- B. MBE Form, Certified MBE Utilization and Fair Solicitation Affidavit (Attachment D-1 and Attachment D-2 of the RFP) – completed and signed by an individual authorized to bind the Offeror. If the Offeror fails to complete and submit this form with the Technical Proposal as required, the Procurement Officer shall determine that the proposal is not responsible and not reasonably susceptible of being selected for award.
- C. Maryland Living Wage Requirements Affidavit of Agreement (Attachment E-1).

Tab 4 – Corporate Experience and Capability

Describe the Offeror's significant experience as an accounting firm with experience in multi family housing finance, including the experience of the principal person or persons designated by the Offeror and assigned to the Contract:

- A. Experience performing audit reviews. Describe in detail experience in the review and analysis of annual audited financial statements of owners of multi family projects, including experience reviewing the computation of Surplus Cash, the calculation of Debt Service Coverage Ratio; and identification of items indicative of problems for the effective performance of multi family rental property projects, as well as experience with or knowledge of DHCD's housing programs, the programs of similar state housing departments and/or finance agencies and the problems and issues affecting these programs.
- B. Experience providing review of qualified contract cost proposals. Describe in detail experience providing review of qualified contract cost proposals pursuant to §42(h)(6)(F)-(H) of the Internal Revenue Code.

Tab 5 – Corporate References

- A. Provide the names, addresses, and telephone numbers of at least three (3) current clients that may be contacted as references, including at least one client (not necessarily current) in the housing field. DHCD reserves the right to call any known former or current client.
- B. Provide a list of all contracts with any entity of the State of Maryland that it is currently performing or which has been completed within the last 5 years. For each identified contract the Offeror is to provide in its Technical Proposal:
  - 1. The State contracting entity;
  - 2. A brief description of the services/goods provided;
  - 3. The dollar value of the contract;
  - 4. The term of the contract;
  - 5. The State employee contact person (name, title, telephone number and if possible e-mail address); and

6. Whether the contract was terminated before the end of the term specified in the original contract, including whether any available renewal option was not exercised.

The Procurement Officer or a designee may contact the identified State agencies, or the most appropriate ones if many contracts are involved, to ascertain the Offeror's level of performance of State contracts.

Information obtained regarding the Offeror's level of performance on State contracts will be considered as part of the experience and past performance evaluation criteria of the RFP.

#### Tab 6 – Staffing Plan and Key Personnel

Provide a staffing plan that:

- A. Identifies the specific individuals who will be assigned to the Contract to perform work under each of the tasks referred to in Section 3.2, including the key personnel of any subcontractor, such as those used to meet an MBE goal assigned to this Contract.
- B. Specifies the division of responsibility envisioned among these individuals and their availability to perform contract services during the term of the Contract
- C. Identifies other personnel who would be available to perform the services described in Section 3.2, if members of the specific team were to be unavailable.

#### Tab 7 – Corporate Fiscal Responsibility

Provide evidence of the financial ability to complete this contract. Examples of evidence of financial ability may include, but are not limited to:

- A. Recently audited (or best available) financial statements, including a certification by the Chief Financial Officer (or equivalent officer) that the statements are accurate and reliable and indicative of adequate working capital.
- B. Lines of credit.
- C. Financial rating, such as Dun and Bradstreet.

#### Tab 8 – Staff Time Conflicts Resolution

Describe how staff time conflicts will be resolved between the needs of existing and other future clients and the needs of DHCD for services, in order to ensure that DHCD's needs are met.

Tab 9 – Professional Liability Insurance

Provide documentary evidence of professional liability insurance, including coverage and deductible amounts.

Tab 10 – Fidelity Bond

Provide evidence that the Offeror has in effect, and will maintain throughout the term of the Contract, a fidelity bond providing coverage of not less than \$300,000 per incident.

Tab 11 – Location

Provide evidence that the Offeror shall maintain a principal office located in the State of Maryland or the District of Columbia, with a Resident Agent in the State of Maryland throughout the term of the contract.

Tab 12 – Economic Benefit to the State of Maryland

- A. Describe the benefits that will accrue to the Maryland economy as a direct or indirect result of the Offeror's performance of the contract resulting from this RFP.  
Economic Benefits include:

1. The Contract dollars to be recycled into Maryland's economy in support of the Contract. Offerors should be as specific as possible and provide a breakdown of expenditures in this category.
2. The number and types of jobs for Maryland residents resulting from this Contract. Indicate job classifications, number of employees in each classification, and the aggregate payroll to which the Offeror has committed.
3. Tax revenue to be generated for Maryland and its political subdivisions as a result of this contract. Indicate tax category (e.g., payroll taxed, sales taxes). Provide a forecast of the total tax revenue resulting from this contract.

- B. In addition to factors listed above, explain any other economic benefits to the State of Maryland that would result from the Offeror's proposal.

### **5.3 PRICE PROPOSAL**

Offerors must submit an unbound, clearly marked original and five copies of the Price Proposal in a separate sealed enveloped titled "Audit Review Services for DHCD - Price Proposal." The Price Proposal shall be submitted on the Price Proposal Form, Attachment F, and signed by an official authorized to bind the Offeror.

## **SECTION 6. EVALUATION PROCEDURE AND CONTRACT AWARD**

### **6.1 EVALUATION COMMITTEE**

The Procurement Officer shall establish an Evaluation Committee, which may include individuals from within or outside of State government. The Procurement Officer reserves the right to reject in whole or in part any and all proposals received as a result of this RFP, to waive minor irregularities in proposals, and to enter into discussions with all responsible offerors in any manner deemed necessary to serve the best interest of DHCD and the State. Offerors whose proposals are not accepted will be notified in writing.

### **6.2 DISCUSSIONS/ORAL PRESENTATIONS**

All Offerors who appear to be responsible and whose proposals are initially classified as being reasonably susceptible of being selected for award (or potentially so) may be required to make oral presentations of their proposals to, and participate in discussions with, the Evaluation Committee. Offerors will be notified as to a date for oral presentations/discussions. Offerors must confirm in writing any substantive oral clarification of their proposal made in the course of discussions and all written clarifications will become part of the Offeror's Technical Proposal.

Price Proposals from only those responsible Offerors whose proposals are finally deemed reasonably susceptible of being selected for award will be opened following the discussion and presentation process.

If following the opening of the price proposals, the Procurement Officer determines that further discussion is in the best interest of DHCD and the State, the Procurement Officer will notify all of the Offerors of the date on which such discussions will be conducted. Upon completion of all discussions and upon receipt of any "best and final offers" submitted as a result of such discussions, the Evaluation Committee shall recommend to the Procurement Officer the award of the Contract to the responsible Offeror whose combined technical and price proposal is determined to be the most advantageous to DHCD and the State.

### **6.3 TECHNICAL PROPOSAL EVALUATION CRITERIA**

The Evaluation Committee will conduct their evaluation of the Technical Proposals received on the basis of the following criteria in descending order of importance:

- A. Corporate Experience and Capability, as described in Section 5.2, Tabs 4, and 5;  
Executive Summary, as described in Section 5.2, Tab 2.
- B. Staffing Plan and Key Personnel, as described in Section 5.2, Tab 6.
- C. Corporate Fiscal Responsibility, as described in Section 5.2, Tab 7.

D. Staff Time Conflicts Resolution, as described in Section 5.2, Tab 8.

B. Economic Benefits, as described in Section 5.2, Tab 12.

#### **6.4 PRICE PROPOSAL SELECTION CRITERIA**

Price Proposals will not be opened until the evaluation of the Technical Proposal is complete. The Price Proposal evaluation will be based upon the prices submitted by the Offeror on Attachment F – Price Proposal Form, and best and final offers, if any. Proposals will be ranked in order from lowest to highest cost to the State based upon the Total Evaluated Price on Attachment F.

#### **6.5 WEIGHTING OF TECHNICAL AND PRICE PROPOSALS**

The Technical Proposal will have greater weight than the price proposal in determining the most advantageous offers.

**Comment [JE2]:** Everyone is strongly being encouraged to have the technical and price weighted equally.

#### **6.6 CONTRACT AWARD**

It is DHCD's intention to award the contract to the Offeror whose proposal is determined to be the most advantageous to the State.